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EXAMINER
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3628

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**GROUP 3600**

**SUPPLEMENT  
BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/890,815  
Filing Date: February 06, 2002  
Appellant(s): LOCKWOOD, DAVID

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Scott D. Paul  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the Order Remanding to The Examiner, from Before The Board Of Patent Appeals And Interferences – Jan 12, 2006.

**(1) *Real Party in Interest***

A statement identifying the real party in interest is contained in the brief.

**(2) *Related Appeals and Interferences***

The brief does not contain a statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief. Therefore, it is presumed that there are none. The Board, however, may exercise its discretion to require an explicit statement as to the existence of any related appeals and interferences.

**(3) *Status of Claims***

The statement of the status of the claims contained in the brief is correct.

**(4) *Status of Amendments After Final***

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) *Summary of Invention***

The summary of invention contained in the brief is correct.

**(6) *Issues***

The appellant's statement of the issues in the brief is correct.

**(7) *Grouping of Claims***

Appellant's brief includes a statement that claims stand or fall together as a group with claim 1.

**(8) *Claims Appealed***

The copy of the appealed claims contained in the Appendix to the brief is correct.

6,188,993	Eng et al	2-2001
5,966,699	Zandi	10-1999
6,078,906	Huberman	6-2000

**(10) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***3Double Patenting***

1. Claim 7 objected to under 37 CFR 1.75 as being a substantial duplicate of claim 1. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k).

***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Eng et al (hereinafter Eng - US 6,188,993) in view of Zandi (US 5,966,699).

Re. Claims 1 and 3, Eng discloses a Inside Money (IM) is a synthetic currency transaction network that includes multiple mutual funds, a means for connecting potential borrowers to potential lenders of IM shares, and methods and techniques for conducting private IM share transactions, [entire document particularly, Abs; C2 1-81-35], receiving a plurality of first indications of offers (participants who wish to loan) to lend a security from respective lenders, each of the offers to lend a security indicating a corresponding quantity of the security and a corresponding fee [C7 1-5-1-11; C2 1-24-1-35; C2 L66 to C3 1-6; C3 L27-1-31; C5 1-12-1-15], and receiving a plurality of second indications of offers to borrow the security from respective borrowers, each of the offers (participants who wish to borrow) to borrow the security indicating a corresponding quantity of the security and a corresponding fee [C7 1-5-1-11; C2 1-24-1-35; C2 L66 to C3 1-6; C3 1-27-1-31], and matching one of the offers from one of the lenders with one of the offers from one of the borrowers based on the corresponding quantity and the fee [C3 L7-L32] . Eng, explicitly, does not disclose sending a notification of a transaction between the one lenders and the one borrower based on the matched offer. However, Zandi discloses sending a notification of a transaction between the one lenders and the one borrower based on the matched offer [Zandi - C7 L27-L30; C45-1\_60]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Eng and Zandi to send notifications to both parties (lender and borrower) of the acceptance or denial of the deal.

Re. Claim 2, Eng discloses further comprising recording the transaction in a database electronically accessible to a plurality of borrowers and lenders over at least one computer network and least one computer [C4 L52-1-64].

Re. Claim 4, Eng discloses real time transaction [C3 L33-L45] Eng, explicitly, does not disclose computer system is strictly connected to separate listing financial incentives for real-time confirmation of acceptable financial transactions of the borrowing and lending of securities. However, Zandi discloses wherein said computer system is strictly connected to separate listing financial incentives for real-time confirmation of acceptable financial transactions of the borrowing and lending of securities (loans) [C1 L52-1-61; C2 L49-L61; C3 L56 to C4 L26]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Eng and Zandi to allow lender to submit bids and borrower to download bids from the server.

Re. Claim 5, Eng discloses Eng IM network and bulletin board system (internet accesses), server [C2 1-24-1-33; C4 1-1-1-6; C7 1-5-1-12]. Eng, explicitly, does not disclose at least one Web computer server for serving as host for computer browsers and providing said browsers with the capability to participate in various auctions of a single product at a specified time the specified number of the product available for sale, and a Web server cooperating the set the database computer separate from some of servers, said computer based computer being in

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communication with at least one said Web computer server to allow retrieval product information which includes: a) securities description, b) a quantity of the security to be auctioned c) a duration of the auction, and d) a minimum amount and rate.

However, Zandi discloses at least one Web computer server for serving as host for computer browsers and providing said browsers with the capability to participate in various auctions of a single product at a specified time the specified number of the product available for sale, and a Web server cooperating the set the database computer separate from some of servers, said computer based computer being in communication with at least one said Web computer server to allow retrieval product information which includes [C3 1-19-1-34], a). Securities description [C6 1-1-1-67], b). a quantity of the security to be auctioned [C8 L1-1-5], c). a duration of the auction [C2 1-28-1-31], and d). a minimum amount and rate [C8 L2-1-3; C101-33-1-45; C5 1-41-1-431. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Eng and Zandi to provide a Web site as a communication link to external users (participants) that provides step-by-step information and instruction.

Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Eng and Zandi as applied to claim 3 above, in view of Huberman (US 6,078,906).

Re. Claim 6, neither Eng nor Zandi, explicitly, disclose configured for implementing one or more auction mechanisms, including an English auction, a Dutch auction, a

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first price sealed bid uniform second price double auction, a simultaneous bidding hazard system, a handshake whisper time interval auction, a silent auction, a callable bid rotation auction, and a Swiss auction. However, Huberman discloses configured for implementing one or more auction mechanisms, including an English auction, a Dutch auction, a first price sealed bid uniform second price double auction, a simultaneous bidding hazard system, a handshake whisper time interval auction, a silent auction, a callable bid rotation auction, and a Swiss auction [C10 L31-L67]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclosure of Eng and Zandi and include English auction, a Dutch auction, and other types, as taught by Huberman to provide different types of options for auctioning.

**(11) Response to Argument**

I. In response to Appellant's argument regarding under rejection 35 USC §101, in view of the recent Ex parte Lundgren decision rejection USC 101 has been withdrawn and appellant's argument is moot.

II. Response to Appellant's argument that Examiner has:

(i) not properly construed a meaning for the term "security" consistent with that term's ordinary and customary meaning.

Response to (i):

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a- Appellant has not defined the term "security" in his specification and therefore the term security is interpreted in its broadest term which includes; mutual funds, stocks, bonds, letters of credit, notes, etc.

b- Primary reference (Eng et al - US 6,188,993) discloses Inside Money (IM) synthetic currency which includes multiple mutual funds (see col. 2 lines 24-26) and to create or liquidate IM and directing to what particular investments securities should be purchased or sold ( see col. 4 lines 30-47 -"The investment Advisor (IA) ... (long, medium, or long term) investments should be purchased or sold to ... The IA 19 could establish a unit of participation ... , securities, notes, ... and other financial instruments.", therefore the synthetic currency of Eng et al includes the Appellant's security too.

(ii) not established that the applied prior art teaches or suggests that each of the offers to lend a security indicates a corresponding fee.

(iii) not established that the applied prior art teaches or suggests that a fee is associated with offers to borrow a security.

Response to (ii) & (iii):

Primary reference discloses (col. 3 lines 17-23 & line 27) 'When a loan is made an IM lender can choose to retain the interest bearing features of IM and negotiate an interest payment from the borrower. For example, company A could loan IM shares to Company B, for Company B to pay IM to Company C; Company A and B may negotiate a rate of return, for example, IM plus some additional % which would be the IM

return plus some additional percent of the value of IM that Company B must pay to Company A for borrowing the IM. The system of the present invention provides a means to track who holds IM, who receives the interest due on the IM and which participants owe points to the other participants. A combination of sliding loan rates and transaction fees provide users with incentive to execute IM transactions as soon as possible. This creates a transaction environment with a more evenly distributed transaction arrival rate over the business day."

and (col. 5 lines 12-14) "The LA 12 is responsible for the collection of all debts and fees associated with the system's lending and borrowing function.", which means there are two functions (lending and borrowing) and two transaction fees not a single fee.

(iv) has improperly asserted a motivation to combine the applied prior art that does not originate from the applied prior art.

Response to (iv):

Secondary reference (Zandi - US 5,966,699) discloses the followings:

- sending a notification of a transaction between the one lenders and the one borrower based on the matched offer (col. Lines 27-30; col. 45 line 60),
- wherein said computer system is strictly connected to separate listing financial incentives for real-time confirmation of acceptable

financial transactions of the borrowing and lending of securities (including loans) (col. 1 lines 52-61; col. 2 lines 49-61; col. 3 line 56 to col. 4 line 26), and

at least one Web computer server for serving as host for computer browsers and providing said browsers with the capability to participate in various auctions of a single product at a specified time the specified number of the product available for sale, and a Web server cooperating the set the database computer separate from some of servers, said computer based computer being in communication with at least one said Web computer server to allow retrieval product information which includes (col. 3 lines 19-34), a). Securities description (col. 6 line 67), b). a quantity of the security to be auctioned (col. 8 lines 1-5], c). a duration of the auction (col. 2 lines 28-31), and d). a minimum amount and rate (col. 8 lines 2-3; col. 10 lines 33-45; col. 5 lines 41-43). Therefore, it would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the disclosure of Eng and include sending a notification of a transaction, computer system with real-time confirmation of acceptable financial transactions, and Web computer server for serving as host for computer browsers, as taught by Zandi, to send notifications to both parties (lender and borrower) to inform them of acceptance or denial of the of the deal and closing of auction, to allow lender to submit bids and borrower to download bids from the server, and to provide a Web site as a communication link to external users which provides

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step-by-step information and instruction (Abstract; Figures 3, 4A, 4B & 5; col.7 lines 2731; col. 8 lines 45-65).

For the above reasons, it is believed that the rejections should be sustained.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Harish T Dass

Examiner

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01/24/06

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